Cost escalation in Barh and Sipat Thermal Power Plants

1158. SHRI SANTOSH BAGRODIA:
SHRI GIREESH KUMAR SANGHI:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the Russian entity supplying equipments to the Barh and Sipat Thermal Power Plants has been escalating the price of the equipment;

(b) if so, the details thereof;

(c) whether such a demand has escalated the cost of project, if so, the details of cost escalation;

(d) whether Government has taken up the issue with Russian Government, if so, their response thereto; and

(e) the action Government proposes to take to discount such mid-term price escalation by the suppliers?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI): (a) and (b) **Barh Super Thermal Power Project (STPP), Stage-1 (3 × 660 MW): Steam Generator Package – Contract Awarded on M/s Technopromexport (TPE), Russia**

TPE has raised issue of Time Extension and cost compensation due to delay which could not be settled amicably despite discussions at various forums and levels, The claim amounts to 87% of the Contract Price.

Barh Super Thermal Power Project (STPP), Stage-I (3 × 660 MW): Turbine Generator Package – Contract Awarded on M/s Power Machine (PM)/PMIL

M/s Power Machines have raised claims in Turbine Generator Package for Barh STPP, Stage-I (3 × 660 MW) amounting to 50% of contract price on account of abnormal rise in input costs, etc. In these claims, Power Machines requested for removal of price escalation ceiling limit and revision of project schedule. These issues are under discussion between NTPC and Power Machines.

Sipat STPP, Stage-I (3 × 660 MW) : Turbine Generator Package - Contract Awarded on PM/PMIL)

M/s Power Machines had raised claims on Turbine Generator Package for Sipat-I (3 × 660 MW) on account of abnormal rise in input costs, etc. In their claims, Power Machines requested for removal of price escalation ceiling limit and revision of project schedule.

(c) Barh STPP Stage-I (3 × 660 MW) and Sipat STPP Stage-I (3 × 660 MW) are on-going projects and under construction. So far as Barh STPP Stage-I project is concerned, the issues are under examination and for Sipat STPP Stage-I project, it has been agreed by NTPC for payment of additional escalation on account of foreign supplies due to steep increase in input cost based on Russian Index as per formulae given in the Contract with M/s Power

Machines. However, the actual amount of additional escalation will be known only after completion of Sipat Stage-I project.

(d) Though the Contract between NTPC and TPE is a commercial Contract, TPE has been raising the various issues arising under the Contract in the bilateral forum like Indo-Russian Working Group on Cooperation on Energy and other such forums.

(e) The Contract(s) awarded by NTPC are on base price basis with provision of price variation. The price variation is determined based on the formulae provided in the Contract(s).

Marketing margin charged on sale of natural gas

1159. SHRI AMAR SINGH: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that NTPC has raised objection to his Ministry regarding charging of marketing margin by Reliance Industries Ltd. (RIL) on sale of natural gas to its plants;

(b) if so, the action taken by his Ministry to stop RIL from charging such marketing margin; and

(c) if not, the reasons for not taking action on RIL for violating Production Sharing Contract?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI BHARATSINH SOLANKI): (a) to (c) The information is being collected and will be laid on the Table of the House.

Increase in sale price of gas supplied to NTPC by RIL

1160. SHRI M.V. MYSURA REDDY:
SHRI PENUMALLI MADHU:
SHRI NANDAMURI HARIKRISHNA:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the gas price bid of Reliance Industries Ltd. (RIL) to NTPC was at delivered price, including transportation charges;

(b) if so, the details thereof;

(c) whether it is also a fact that RIL has increased the pipeline charges for NTPC from USD 0.81 to USD 1.71;

(d) if so, the details thereof and the reasons therefor;

(e) whether this increase has been approved by the oil regulator Petroleum and Natural Gas Regulatory Board;

(f) if so, the details thereof; and

(g) if not, the action being taken by Government on RIL for unilaterally increasing the pipeline cost resulting in increase in input cost to NTPC?